

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2352 – HB 2127

March 4, 2014

SUMMARY OF ORIGINAL BILL: Exempts public or private institutions exclusively offering instruction at any or all grade levels from preschool through grade 12 from the Postsecondary Education Authorization Act of 1974.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (013443): Deletes all language of the original bill. Exempts from the Postsecondary Education Authorization Act of 1974, any postsecondary educational institution that has had its primary campus in Tennessee for at least 20 years; is currently accredited and has been accredited for at least 20 consecutive years; is chartered such that its primary campus is a non-profit entity and has been so for at least 20 consecutive years; meets and maintains financial standards that are acceptable by the accreditor and the United States Department of Education; and completes an information request form. An institution may lose its exemption if the institution has a three-year federal financial aid cohort default rate of 25 percent or higher for three consecutive years or a default rate for any single year over 40 percent, as reported by the United States Department of Education. Institutions that were previously exempted from the Postsecondary Education Authorization Act of 1974 prior to the passage of this bill shall maintain their exempt status as long as such institutions register with the Tennessee Higher Education Commission (THEC). All exempt institutions are required to annually complete an information request form. Institutions that lose their exempt status shall not be required to re-establish the twenty consecutive year standards in order to regain exempt status. THEC shall have the authority to reinstate the exempt status once the condition that caused an institution to lose its exemption has been corrected.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- According to THEC, no additional fees will be collected

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- Any increase in state expenditures to process information request forms is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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